

MATCHING THE GUIDANCE

WITH SCIENCE:

HOW TO RE-DESIGN NATIONAL

ENERGY & CLIMATE PLANS

ENERGY CITIES' 3 RECOMMENDATIONS
BASED ON THE IPCC'S LATEST
FINDINGS



AUTHOR

ALIX BOLLE - EU POLICY COORDINATION

PUBLICATION DATE

JUNE 2022



IN TODAY'S WORLD, TOP-DOWN NATIONAL ENERGY AND CLIMATE PLANS (NEPCS) WHICH ARE NOT GROUNDED IN LOCAL REALITIES AND POTENTIAL WILL FAIL. TECHNO-CENTRED, ONE-SIZE-FITS-ALL SOLUTIONS WILL NEITHER DELIVER ON THE OBJECTIVES OF THE JUST TRANSITION, NOR WILL IT SUCCEED IN REDUCING EUROPE'S RELIANCE ON RUSSIA. BELOW ARE THREE KEY RECOMMENDATIONS WHICH COULD USHER IN A NEW ERA FOR A FUTURE-PROOF EU CLIMATE GOVERNANCE.

1. INCLUDE AN "ENERGY SUFFICIENCY" CHAPTER IN THE NATIONAL ENERGY AND CLIMATE PLANS

As was pointed out by IPCC lead author Yamina Saheb during Energy Cities' annual conference, the European Commission does not have energy sufficiency policies. Indeed energy sufficiency, sometimes also referred to as "energy sobriety", is the forgotten child of the EU energy and climate policy landscape. In the IPCC's Sixth Assessment Report, the concept has been defined for the first time as an opportunity to avoid "the demand for materials, energy, land, water, and other natural resources while delivering a decent living standard for all within the planetary boundaries."

Contrary to energy efficiency, which mainly focuses on improved building techniques and technology-enabled consumption changes, energy sobriety is about behavioural and organizational change. In the buildings-focused chapter of its report, the IPCC notes that sufficiency "is about long-term actions driven by non-technological solutions, which consume less energy in absolute terms". So in a nutshell, production and consumption habits should not just be made more efficient, they should be reduced altogether.

Examples given in the IPCC report of landmark measures cities are implementing include fostering the multi-functionality of space and adjusting the size of buildings to the evolving needs of households; moving from ownership to usership of appliances; optimizing the use of nature-based solutions, etc. In a context of rising energy poverty now compounded by the energy security and price crises, it is important to emphasize that energy sufficiency measures have very limited to no cost to end-users, contrary to energy efficiency improvements. The IPCC calculated that some 17% of the global mitigation measures needed in the building sector by 2050 could be captured by sufficiency measures alone. In addition, energy sufficiency measures can have mitigating effects on high energy prices, by reducing demand of final energy consumption in households and businesses.



With the launch of the Cities Energy Savings Sprint, precipitated by the war in Ukraine, the Covenant of Mayors Europe, with the support of the European Commission and the Committee of the Regions, has started to give more resonance to the issue. Although the campaign in question is intended to encourage critical changes in energy consumption patterns among EU cities between now and the coming winter, it does not have the ambitions and means to promote systemic and structural reforms in our overall economic and

consumption models.

The European Commission should thus heed the IPCC recommendations and drive unprecedented global policy innovation by firmly embedding energy sufficiency in its Member States' energy and climate planning process. Pursuing sobriety in the energy domain would thus deliver a reinforced energy security framework less dependent on foreign suppliers, while accelerating mitigating efforts in light of a growing climate emergency.

IN CONCRETE?

- Include a new chapter on energy sufficiency within the NECP template structure
- Develop comprehensive energy sufficiency guidelines for Member States based on the recent IPCC recommendations
- Report on energy sufficiency progress during the State of the Energy Union address
- Broaden the scope of the “energy efficiency first” principle to become a “sufficiency first” principle which guides European policy making as well as national investment and planning decisions

2. ENCOURAGE MEMBER STATES TO DESIGN GENUINE COORDINATION MECHANISMS WITH THEIR LOCAL AND REGIONAL AUTHORITIES

If we take the case of energy sufficiency alone, as we have illustrated above most of the interventions will have to be planned and delivered at local level. In addition, the cultural shift that will need to operate among citizens is definitely not something that can be imposed top-down by national or EU governments. This calls for a close involvement of local and regional authorities in the design (not just the implementation) of NECPs. The optimization of local energy and resources (through the harnessing of wind and solar but also local biomass, municipal waste, residual heat, water streams, etc.) will also be key in helping

member states reach their climate and energy targets while ensuring a just transition for all.

Indeed, not all sustainable energy projects are equal in terms of socio-economic impact. The smaller, locally-governed projects have a greater likelihood of contributing to local economic windfalls and the reduction of social inequalities. This was also one of the key findings of the IPCC 6th assessment report: the world's response to the climate challenge needs to be rooted in social equity and fairness.



In France, the national energy agency found that locally-governed renewable energy projects had the multiplier effect of contributing 2 to 3 times more to direct local economic benefits compared to traditional, centralized ones. However, at the moment it remains impossible to maximize the potential of these local energy policies through what is largely limited to top-down planning in most member states. The EU institutions did request some change in the NECP process through the introduction of the article 11 on multi-level dialogues in the governance of the Energy Union regulation. The provision however has been very poorly followed by Member States who most of the time limited themselves to a mere consultation exercise, if anything. Besides, what is needed is more a co-construction / coordination process with shared responsibilities rather than a dialogue on a top-down ready-made proposal.

or possible at a more local scale. Likewise, such decisions must anticipate the evolution of uses, consumption habits and new cultural choices, all of which are better apprehended by local governments. This is why institutional and governance innovation is crucially needed as part of the NECP process to better involve local and regional entities.

One way of doing this could be ensuring that the sum of already available Sustainable Energy and Climate Action Plans (submitted by cities through the EU Covenant of Mayors or under existing national obligations) actually add-up to constitute the national plans. At the moment, in most member states it seems the SECAP and NECP drafting are just two parallel exercises which are not really aligned nor synchronized.

This co-ordination should be based on a hierarchy of planning choices. When discussing different energy and climate scenarios, priority should be given to options which are more conducive to socio-economic development. The decision to invest in new centralized energy infrastructure cannot be taken irrespective of what is already planned

Lastly, amendments have been put forward as part of the Fit for 55 legislation review process to mandate and support local and regional authorities to map and plan the harnessing of their local renewable energy resources. The result of these planning and mapping exercises should be duly taken into account within the NECP process.

IN CONCRETE?

- Strongly embed the local mapping and planning requests that have been made as part of the amendments of the Fit for 55 package with the NECP process
- Better coordinate and synchronise the NECP and SECAP (or equivalent) drafting processes, in order to methodically integrate local development plans in national strategies
- Provide guidance on “energy planning hierarchy”, in view of sufficiency and socio-economic advantages



3. MANDATE EU MEMBER STATES TO PROVIDE ADEQUATE MEANS TO LOCAL AND REGIONAL AUTHORITIES TO CO-DESIGN AND DELIVER THE NECPS

Cities have the potential to become the new EU energy powerhouses but they still lack the ability to do so.

Local governments can play a crucial role in investing in projects that are considered of sub-optimal sizes (neither small enough to qualify for support schemes, nor big enough to generate sufficient profit) or profiles (based in regions with lesser degrees of sunlight, etc.) which are discarded by other types of investors. A study in France⁽¹⁾ recently found that 80% of renewable energy projects never get past the planning stage pointing to a huge “physical gap” of potential project pipelines that never get off the ground.

Having cities invest in actual generation capacities and becoming energy producers rather than just consumers or in some cases retailers or owners of distribution infrastructure is crucial. It gives them not only the means to achieve their climate targets but also to have real control over price fluctuations linked to energy market failures or geopolitical shocks. But local energy investments are often very complex, relying on a lot of variable parameters. This is why cities should be given additional in-house capacity in order to be able to take on new roles and adequately design and deliver the projects. At the moment however, local administrations are either largely understaffed and under equipped or relying on external consultants to carry out projects for them, meaning the secured expertise does not remain within city administrations. Some cities like Budapest are also facing brain drains with their local workforce being recruited by private entities.

A study recently published by Energy Cities found

that just in the building sector, some 214,000 positions would have to be filled with EU local authorities between now and 2030 to deliver the decarbonisation measures foreseen in national plans. This means the current spending envelopes on local staff capacity for the building sector should increase by 53% to meet the targets set before the fit for 55 and RepowerEU plans were even adopted.

It is crucial that this capacity gap be addressed across the board to give cities the means to plan and deliver the energy transition. The European Commission should therefore ask Member States to include a local resources adequacy assessment as part of their National Energy and Climate Action Plans.

Making sure that cities are better equipped in securing more local generation capacities and decarbonisation projects altogether is what will help strike a balance between large-scale projects (such as hydrogen projects, offshore wind, hydropower and solar plants) and small-scale, locally-steered projects which contribute to local development and the reduction of regional disparities.

In a report commissioned by the European Parliament dated April 2022, analysis from six EU countries showed the dramatic untapped potential of EU funding due to limited resources and lack of awareness among city administrations. The report also highlighted the “decisive role” of the territorial level at which actions are implemented as well as the steering actors. The most effective climate solutions, it concluded, can be best achieved when “internal capabilities” and expertise are provided within the regions.

¹ <https://www.fnccr.asso.fr/article/projet-enr-a-gouvernance-locale-une-levee-indispensable-des-freins/>



IN CONCRETE?

- Mandate Member States to conduct a “resource adequacy assessment” on the local / regional capacity to deliver the energy transition and do this as part of the NECP reporting process
- Require Member States to address the potential capacity gap with specific policies and measures in their NECP, including fiscal reforms where necessary

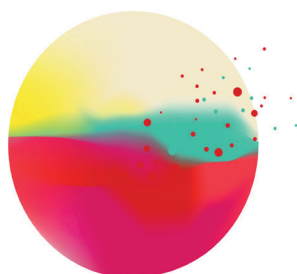
REFERENCES

European Parliament Policy Department for Structural and Cohesion Policies Directorate-General for Internal Policies. EU regions in the transformation towards a climate-neutral future. [https://www.europarl.europa.eu/RegData/etudes/STUD/2022/699628/IPOL_STU\(2022\)699628_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/STUD/2022/699628/IPOL_STU(2022)699628_EN.pdf) (2022)

FNCCR. Projet ENR à gouvernance locale, une levée indispensable des freins ? <https://www.fnccr.asso.fr/wp-content/uploads/2021/10/Image1.jpg> (2021)

Intergovernmental Panel on Climate Change. Sixth Assessment Report. https://report.ipcc.ch/ar6wg3/pdf/IPCC_AR6_WGIII_FinalDraft_TechnicalSummary.pdf (2022)

La Fabrique Ecologique. Circuits courts de l'énergie et solidarités énergétiques locales : Accélérer le développement de projets d'énergies renouvelables locales dans une dynamique circulaire. <https://www.lafabriqueecologique.fr/app/uploads/2022/05/Note-Circuits-courts-de-lenergie-et-solidarites-energetiques-locales-1.pdf> (2022)



ENERGYCITIES

www.energy-cities.eu

 [@energycities](https://twitter.com/energycities)

 [@energycities.eu](https://www.facebook.com/energycities.eu)

BESANÇON

2 chemin de Palente
25000 Besançon, France

BRUSSELS

Mundo Madou
Avenue des Arts 7-8
1210 Brussels, Belgium

Energy Cities' mission is to empower cities and citizens to shape and transition to future-proof cities. We showcase concrete alternatives deployed by cities, we advocate changing policy and economic governance at all levels and we foster wide cultural change leading to a future-proof society. Energy Cities community is composed by local leaders of thousands of cities in 30 European countries.